

QI PARTNERS
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

QI PARTNERS
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees Sam Higginson (resigned 14 December 2023)
Professor David Richardson (resigned 26 July 2023)
Dr Celia Ann Caulcott
Dr Karen Jane Lewis
Professor David John Maguire (appointed 26 July 2023)

Company registered number 09604451

Charity registered number 1170105

Registered office Quadram Institute
Norwich Research Park
Colney Lane
Norwich
NR4 7UQ

Company secretary Mrs Sarah Bennion

Bankers Barclays Bank Plc
Norwich
NR1 3QH

QI PARTNERS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

About QI Partners

QI Partners is a charitable company which was established in 2015 by four partners – UK Research and Innovation - Biotechnology and Biological Sciences Research Council (BBSRC), the Norfolk and Norwich University Hospitals NHS Foundation Trust (NNUH), Quadram Institute Bioscience (QIB) and the University of East Anglia (UEA).

The company was created to support the establishment of the Quadram Institute – a multi-million pound food and health research institute completed in autumn 2018. The Quadram Institute is at the forefront of the interface between food science, gut biology and health, developing solutions to worldwide challenges in food-related disease and human health.

About the Quadram Institute

The four partners provided funding for the Quadram Institute building that has the capacity for 300 research staff and a further 100 staff supporting one of Europe's largest endoscopy facilities. It is engaged in fundamental and translational food and health research, alongside clinical studies, endoscopy and industry, working together to be a leading international hub for food and health research. It combines scientific excellence and clinical expertise, delivering patient care and accelerating innovation.

Objectives and activities

The objectives of the Charity are to facilitate:

- The advancement of education in food and health sciences for the public benefit by the provision of facilities for the conduct of charitable research into food and health sciences including the publication of the useful results of that research; and
- The advancement of health for the public benefit by the provision of facilities for the investigation, diagnosis and treatment of diseases and disorders and for research into diseases and disorders including the publication of the useful results of that research.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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Achievements and performance

a. Performance

During the period the Charity has:

- Seen the unveiling by Sir Patrick Vallance, of a plaque marking the formal opening of the Institute, delayed due to the pandemic;
- Held a strategy event and seen updated science and operational strategies, to deliver new 5-year Strategic Programmes;
- Included the QI gas supply within the NBI framework to take advantage of lower costs;
- Continued to monitor energy use and implement changes to save energy where possible;
- Promoted collaboration between researchers and clinicians, both through its innovation committee and seedcorn funding for clinical research projects.

As part of its core undertakings, the Charity has also:

- Held meetings of its Executive Group;
- Monitored the activities of the tenants of the building;
- Reviewed and revised KPIs which have been reported to both the QI Executive Group and the QI Partners Board.

b. Plans for future periods

The principal objectives for 2023/24 are to:

- Draw up and review a 5 year cost/funding plan to incorporate replacement of core plant/equipment assets reaching end of indicative life;
- Continue with the translational funding stream for clinicians and basic scientists, enabling them to collaborate effectively, fully leveraging the QI clinical resources and facilities;
- Grow the use of the CRF and Biorepository facilities.

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Financial review

a. Financial review

Service charges rendered to all tenants totalled £3.5m (2022: £3.2m). Service charges represent a re-charge of all operational costs and the main reason for the increase was due to higher utility costs.

After allowing for donations received and deducting depreciation and other non-operational costs there was a deficit for the year of £0.6m (2022: deficit of £0.7m). The deficit is due to depreciation on non-tenanted areas of the QI building and loan interest costs.

There was no capital expenditure in the year (2022: nil).

Total reserves at 31 March 2023 was £22.5m (2022: £23.1m), all relating to restricted funds.

b. Reserves policy

The Charity's restricted capital reserve represents the capital grant funding received to support the capital costs of the new building. Restricted capital reserves have reduced in the year in line with the depreciation of the retained parts of the building, less donations received.

The Charity regularly reviews reserve levels alongside cost and income projections to ensure that it has sufficient working capital to support the operation of the QI building.

c. KPIs

A benefits realisation plan has been developed which incorporates key performance indicators by which the Quadram Institute can monitor its performance. The KPIs include the number of engagement events/activities, the number of formal knowledge exchange activities and metrics on the volume of tenant activity such as research projects awarded, clinical research studies undertaken and number of endoscopies performed.

d. Principal risks and uncertainties

The Board of Trustees is responsible for ensuring there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed. The Audit and Risk Committee reviews a full risk report at each meeting. The Board reviews a full risk report annually, including a 'heat map' tracking major risks.

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Financial review (continued)

The principal risks and uncertainties facing the Charity are considered to be:

Risk area	Description of Risk	Management of Risk
Charitable benefits are not delivered	<p>Quadram Institute does not deliver planned public benefits from research and health activities;</p> <p>Insufficient coordination between partners and facilities means benefits from co-location are not fully realised.</p>	<p>Over-arching governance structure agreed to ensure activities of partners are coordinated;</p> <p>Agreement by all partners of comprehensive benefits realisation plan;</p> <p>Multiple work streams established to develop cross partner activities, such as science strategy, clinical research, innovation and engagement.</p>
Problems with building facilities	Problems with building facilities prevent tenants from carrying out their operational activities.	<p>A building services user committee has been created and processes are in place for reporting and resolving issues with the building facilities;</p> <p>A lifecycle maintenance plan has been prepared;</p> <p>Core building management policies and procedures have been developed to harmonise services for different users.</p>
Financial sustainability	<p>Building running costs are significantly higher than would be expected;</p> <p>Service charges are not received or paid on a timely basis.</p>	<p>Tenants are advised of budgeted service charges and the scheduled timing of service charge invoices.</p> <p>Costs are being actively monitored and reviewed for potential savings.</p>
Damage to charitable reputation	Culture, behaviour and activity of building service providers or tenants bring the charity into disrepute.	<p>Performance of the building facilities service provider is actively monitored as part of their contractual obligations;</p> <p>Tenants have their own employment codes of practice and disciplinary procedures in place;</p> <p>Leases restrict tenants' activities to relevant charitable purposes.</p>

Structure, governance and management

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Structure, governance and management (continued)

a. Organisation and governance

QI Partners is a company limited by guarantee (registered number 09604451) and was first registered as charity (number 1170105) on 10 November 2016.

b. Members

The members of QI Partners are:

- UK Research and Innovation - Biotechnology and Biological Sciences Research Council ("BBSRC");
- Quadram Institute Bioscience ("QIB");
- The University of East Anglia ("UEA"); and
- Norfolk and Norwich University Hospitals NHS Foundation Trust ("NNUH").

The Members are all guarantors of QI Partners, a company limited by guarantee and a registered charity, of an amount not exceeding £10.

c. Board of Trustees

The Trustees who served during the year and up to the date of signing these financial statements were:

- Dr Celia Ann Caulcott (Chair - QIB nomination)
- Sam Higginson (NNUH nomination)
- Dr Karen Lewis (BBSRC nomination)
- Professor David Richardson (UEA nomination, resigned 26 July 2023)
- Professor David Maguire (UEA nomination, appointed 26 July 2023)

d. Recruitment, Induction and training of Trustees

New trustees receive appropriate induction training, including meeting with key stakeholders to learn about the Quadram Institute and get more involved with the Charity's work.

All Trustees receive regular briefings on key issues facing the charity.

e. Trustee remuneration

None of the Trustees received any remuneration in the year in respect of their role as Trustees.

f. Key management personnel

There are no employees except the Trustees.

The Trustees delegate management of the day-to-day activities of the charitable company to a QI Executive Group consisting of representatives from the four partners.

g. Related parties

Details of related parties are disclosed in note 19 of the financial statements.

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Structure, governance and management (continued)

h. Going concern

The Trustees have reviewed whether it is appropriate for the financial statements to be prepared on a going concern basis. Having considered cash flow forecasts for the twelve months immediately after signing these accounts and longer term to March 2028, the Trustees have a reasonable expectation that taking account of the anticipated impact of the current economic climate on its operations and financial resources, the Charity will have adequate resources to continue in operational existence for the foreseeable future.

As with all organisations, QI Partners is currently experiencing an extraordinary increase in utility costs. However with mitigating actions and Government support, the impact of rising energy prices will be minimised where possible. Tenants are advised of any forecast changes to budgeted service charges, and all tenants are expected to meet their service charge liabilities to the Charity as they become due.

The Trustees have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

i. Public benefit

The Trustees are satisfied they have complied with their duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. Based on this guidance, and as described in this Trustees' report, the Trustees believe the activities of QI Partners to be charitable in nature.

Insurance Disclosure

QI Partners maintains liability insurance for its Trustees, with an annual aggregate cover limit for all claims against them in that capacity. The Trustees have also been granted a qualifying third party provision under section 233 of Companies Act 2006. Neither the Institute's indemnity nor insurance provides cover in the event that a trustee is proved to have acted fraudulently or dishonestly.

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Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Independent Auditors

Larking Gowen LLP have been appointed as auditors and a resolution has been passed by the Board concerning their reappointment as auditors.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Dr Celia Ann Caulcott
Trustee
Date: 20 December 2023

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS

Opinion

We have audited the financial statements of QI Partners (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS (CONTINUED)

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit is considered capable of detecting irregularities including fraud

Due to the field in which the charitable company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards, UK charity law and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the conduct of the company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the company engaged lawyers during the year;
- Reviewing financial statement disclosures and tax matters, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates, and;

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the rationale of any significant transactions outside the normal course of business

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QI PARTNERS (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1st Floor, Prospect House

Rouen Road

Norwich

NR1 1RE

20 December 2023

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total funds	Total funds
		2023	2023	2023	2022
	Note	£000	£000	£000	£000
Income from:					
Charitable activities	3	3,514	-	3,514	3,224
Investments	4	19	-	19	-
		<u>3,533</u>	<u>-</u>	<u>3,533</u>	<u>3,224</u>
Total Income					
Expenditure on:					
Charitable activities	5	3,514	604	4,118	3,956
		<u>3,514</u>	<u>604</u>	<u>4,118</u>	<u>3,956</u>
Total expenditure					
		<u>19</u>	<u>(604)</u>	<u>(585)</u>	<u>(732)</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		-	23,125	23,125	23,857
Net movement in funds		19	(604)	(585)	(732)
		<u>19</u>	<u>22,521</u>	<u>22,540</u>	<u>23,125</u>
Total funds carried forward					

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 26 form part of these financial statements.

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REGISTERED NUMBER: 09604451

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	9	22,638	23,305
Current assets			
Debtors	10	293	1,058
Cash at bank and in hand	16	787	883
		<u>1,080</u>	<u>1,941</u>
Creditors: amounts falling due within one year	11	(978)	(1,771)
Net current assets		<u>102</u>	<u>170</u>
Total assets less current liabilities		<u>22,740</u>	<u>23,475</u>
Creditors: amounts falling due after more than one year	12	(200)	(350)
Total net assets		<u><u>22,540</u></u>	<u><u>23,125</u></u>
Charity funds			
Restricted funds	13	22,521	23,125
Unrestricted funds		19	-
Total funds		<u><u>22,540</u></u>	<u><u>23,125</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Dr Celia Ann Caulcott
Trustee
Date: 20 December 2023

The notes on pages 16 to 26 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	15	805	1,091
Cash flows from investing activities			
Dividends, interests and rents from investments		19	-
Net cash provided by investing activities		19	-
Cash flows from financing activities			
Cash outflows from loan repayments		(900)	(1,550)
Interest payable		(20)	(64)
Net cash used in financing activities		(920)	(1,614)
Change in cash and cash equivalents in the year		(96)	(523)
Cash and cash equivalents at the beginning of the year		883	1,406
Cash and cash equivalents at the end of the year	16	<u>787</u>	<u>883</u>

The notes on pages 16 to 26 form part of these financial statements

QI PARTNERS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

QI Partners is a limited liability company limited by guarantee incorporated in England and Wales, registration number 09604451. The members of the company are those named on page 6. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

The registered office is Quadram Institute, Norwich Research Park, Colney Lane, Norwich, NR4 7UQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

QI Partners meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are presented in Sterling (£) which is the functional currency of the Charity and

rounded to the nearest £'000.

2.2 Going concern

The Trustees have reviewed whether it is appropriate for the financial statements to be prepared on a going concern basis. Having considered cash flow forecasts for the twelve months immediately after signing these accounts and longer term to March 2028, the Trustees have a reasonable expectation that taking account of the anticipated impact of the current economic climate on its operations and financial resources, the Charity will have adequate resources to continue in operational existence for the foreseeable future.

As with all organisations, QI Partners is currently experiencing an extraordinary increase in utility costs. However with mitigating actions and Government support, the impact of rising energy prices will be minimised where possible. Tenants are advised of any forecast changes to budgeted service charges, and all tenants are expected to meet their service charge liabilities to the Charity as they become due.

The Trustees have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Other income represents bank interest received.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities and Governance costs are costs incurred on the Company's operations,

including support costs and costs relating to the governance of the Company apportioned to

charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- the shorter of 60 years and the life of the lease to tenants
Plant and machinery	- 10 years
Fixtures and fittings	- 10 years
Soft furnishings	- 5 years

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Creditors

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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3. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Advancement of education in food and health sciences and the advancement of health	3,514	3,514	3,224
<i>Total 2022</i>	3,224	3,224	

4. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Other interest receivable	19	19	-

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Advancement of education in food and health sciences and the advancement of health	3,514	604	4,118	3,956
<i>Total 2022</i>	3,224	732	3,956	

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6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Advancement of education in food and health sciences and the advancement of health	<u>4,118</u>	<u>4,118</u>	<u>3,956</u>
<i>Total 2022</i>	<u>3,956</u>	<u>3,956</u>	

Analysis of direct costs

	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Depreciation	667	668
Audit and accountancy	28	27
Equipment	-	14
Loan interest	20	64
Catering subs	139	105
Telephone, fax & internet	21	21
Utilities	955	807
Insurance	68	53
Rent and rates	100	100
Intelligent client	45	45
Facilities maintenance	1,779	1,720
Release of capital accrual	(83)	-
Security	354	304
Estate service charge	24	28
Other	1	-
	<u>4,118</u>	<u>3,956</u>

Release of capital accrual relates to the unutilised portion of an accrual for late costs which was made when the property was originally disposed of in 2019.

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7. Auditors' remuneration

	2023	<i>2022</i>
	£000	<i>£000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	5	<i>4</i>
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	<u>1</u>	<u><i>1</i></u>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2022 - £NIL*).

During the year ended 31 March 2023, no Trustee expenses have been incurred (*2022 - £NIL*).

9. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Soft furnishings £000	Total £000
Cost					
At 1 April 2022	23,180	16	1,421	690	25,307
At 31 March 2023	<u>23,180</u>	<u>16</u>	<u>1,421</u>	<u>690</u>	<u>25,307</u>
Depreciation					
At 1 April 2022	1,158	4	426	414	2,002
Charge for the year	386	2	141	138	667
At 31 March 2023	<u>1,544</u>	<u>6</u>	<u>567</u>	<u>552</u>	<u>2,669</u>
Net book value					
At 31 March 2023	<u>21,636</u>	<u>10</u>	<u>854</u>	<u>138</u>	<u>22,638</u>
At 31 March 2022	<u>22,022</u>	<u>12</u>	<u>995</u>	<u>276</u>	<u>23,305</u>

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10. Debtors

	2023	<i>2022</i>
	£000	<i>£000</i>
Due within one year		
Amounts due from related parties	-	953
Other debtors	50	-
Prepayments and accrued income	243	105
	<u>293</u>	<u><i>1,058</i></u>

11. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Amounts owed to related parties	150	900
Trade creditors	369	287
Other taxation and social security	-	15
Accruals and deferred income	459	569
	<u>978</u>	<u><i>1,771</i></u>

12. Creditors: Amounts falling due after more than one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Amounts owed to related parties	<u>200</u>	<u><i>350</i></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Balance at 31 March 2023 £000
General funds	-	3,533	(3,514)	19
Restricted funds	23,125	-	(604)	22,521
	<u>23,125</u>	<u>3,533</u>	<u>(4,118)</u>	<u>22,540</u>

Statement of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Balance at 31 March 2022 £000
General funds	-	3,224	(3,224)	-
Restricted funds	23,857	-	(732)	23,125
	<u>23,857</u>	<u>3,224</u>	<u>(3,956)</u>	<u>23,125</u>

The restricted fund relates to retained elements of the QI building.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	22,638	22,638
Current assets	19	1,061	1,080
Creditors due within one year	-	(978)	(978)
Creditors due in more than one year	-	(200)	(200)
Total	<u>19</u>	<u>22,521</u>	<u>22,540</u>

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14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	23,305	23,305
Current assets	1,941	1,941
Creditors due within one year	(1,771)	(1,771)
Creditors due in more than one year	(350)	(350)
Total	<u>23,125</u>	<u>23,125</u>

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(585)	(732)
Adjustments for:		
Depreciation charges	667	668
Dividends, interests and rents from investments	(19)	-
Release of capital accrual	(83)	-
Decrease in debtors	764	1,018
Increase in creditors	40	73
Interest payable	20	64
Net cash provided by operating activities	<u>804</u>	<u>1,091</u>

16. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	787	883
Total cash and cash equivalents	<u>787</u>	<u>883</u>

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17. Analysis of changes in net debt

	At 1 April 2022	Cash flows	Other non-cash changes	At 31 March 2023
	£000	£000	£000	£000
Cash at bank and in hand	883	(96)	-	787
Debt due within 1 year	(900)	900	(150)	(150)
Debt due after 1 year	(350)	-	150	(200)
	<u>(367)</u>	<u>804</u>	<u>-</u>	<u>437</u>

18. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	100	100
Later than 1 year and not later than 5 years	399	399
Later than 5 years	1,515	1,615
	<u>2,014</u>	<u>2,114</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2023 £000	2022 £000
Operating lease rentals	<u>100</u>	<u>100</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Related party transactions

Quadram Institute Bioscience (QIB)

QIB is a related party by virtue of being a member of the charity and a tenant. In an earlier financial period, QIB made a loan to the Company. The loan is unsecured, and interest is charged at 3% per annum. During the year, interest of £19,861 was charged (2022: £64,019) and at 31 March 2023 £2,603 (2022: £11,178) of loan interest was due to QIB. During the year, repayments were made totalling £900,000 (2022: £1,550,000). The loan balance owed to QIB at the year end was £350,000 (2022: £1,250,000). Service charge income from QIB and its subsidiary QIB Extra Limited of £1,941,514 was received during the year (2022: £1,758,082). At year end, QIB and its subsidiary QIB Extra Limited owed £Nil (2022: £291,190) of service charges to the charitable company.

University of East Anglia (UEA)

UEA is a related party by virtue of being a member of the charity. Charges of £537,015 (2022: £468,265) were incurred during the year relating to the provision of security, intelligent client and cafe services. The balance owed to UEA at year end was £148,009 (2022: £42,873) in relation to normal trading.

Norfolk and Norwich University Hospital (NNUH)

NNUH is a related party by virtue of being a member of the charity and a tenant. During the year, QI partners recognised service charge income of £1,545,958 (2022: £1,433,073) from NNUH. The balance owed to the charitable company by NNUH at the period end was £Nil (2022: £661,672) in relation to lease premiums and service charges invoiced in advance. Purchases of £Nil (2022: £2,341) were made from NNUH by the charitable company.

Anglia Innovation Partnership LLP (AIP)

AIP is a related party as NNUH, UEA, UK Research and Innovation (UKRI) and QIB are all members of both AIP and QI Partners. AIP provides support services to QIP with total purchases in the year being £23,215 (2022: £22,540). At 31 March 2023 £2,318 (2022: £2,250) was owed to AIP by the charitable company.

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